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January 15, 2013

VIA HAND DELIVERY & E-FILING

The Honorable Lewis A. Kaplan
United States District Judge
Southern District New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007

Re: *In re Lehman Brothers Equity/Debt Securities Litigation* (08 Civ. 5523) (LAK)

Dear Judge Kaplan:

We write on behalf of the parties in this multidistrict litigation, in advance of the January 17, 2013 scheduling conference, to submit jointly the accompanying Proposed Pretrial Order setting forth the parties' proposal for the pretrial schedule and for coordinated discovery (the "Proposal"). As summarized below, the parties reached agreement on most terms of the Proposal. The few disputes and the alternative proposals are noted below.

By way of background, counsel for the parties or their designated representatives conferred in person on December 17, 2012, and telephonically several times thereafter, to address scheduling and coordination matters in accordance with Pretrial Order No. 44. The remaining parties in *In re Lehman Brothers Equity/Debt Securities Litigation* (08 Civ. 5523 (LAK)) (the "*Class Action*") are Lead Plaintiffs[1], the Structured Notes Plaintiffs, Defendant Ernst & Young LLP ("EY"), and Defendant UBS Financial Services, Inc. The parties to the 31 remaining *Individual Actions* (listed in ¶12 of the Proposal) are the plaintiffs and non-dismissed defendants in each action. The *Class Action* and the *Individual Actions* are collectively referred to as the "*Coordinated Actions*."

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[1]   "Lead Plaintiffs" are, collectively, Alameda County Employees' Retirement Association, the Government of Guam Retirement Fund, the Northern Ireland Local Government Officers' Superannuation Committee, the City of Edinburgh Council as Administering Authority of the Lothian Pension Fund, and the Operating Engineers Local 3 Trust Fund. Lead Plaintiff Alameda County Employees' Retirement Association and plaintiff Oklahoma Firefighters Pension and Retirement System are the proposed Class Representatives.

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The Pretrial Schedule

The parties agree on most terms of the proposed schedule, including the completion date for document production, the fact discovery cutoff date and deadlines for expert discovery. Under the proposed schedule, fact discovery will be complete by October 4, 2013; expert discovery will be complete by December 20, 2013; and summary judgment motions will be fully briefed by either June 2, 2014, or July 9, 2014.

There are two points of disagreement:

1. **Sequence For Expert Discovery And Summary Judgment Motions:**

The parties dispute whether expert discovery and summary judgment motions in the *Class Action* should precede such proceedings in the *Individual Actions,* or whether they should occur concurrently. The parties' alternative proposals are set forth in ¶¶6 and 7 of the Proposal.

Lead Plaintiffs and the Structured Notes Plaintiffs in the *Class Action*, Defendant EY in the *Class Action* and the Bank Defendants in the *Individual Actions* propose that expert discovery and summary judgment motions in the *Class Action* precede such proceedings in the *Individual Actions*.

On the other hand, the plaintiffs in the *Individual Actions* and the individual defendants in the *Individual Actions* propose that expert discovery and summary judgment motions occur concurrently.

2. **The Date For Submitting The Joint Pretrial Order In The *Class Action:***

 The parties in the *Class Action* disagree on the deadline for submitting the Joint Pretrial Order, at which time the case will be trial ready. As set forth in ¶8 of the Proposal, Lead Plaintiffs propose submission by October 1, 2014 (*i.e.*, 4 months after summary judgment motions are fully briefed). Defendants, however, propose sixty (60) calendar days following the Court's entry of orders resolving all summary judgment motions in the *Class Action.*

Protocols For Coordinating Discovery

The parties propose certain procedures to coordinate discovery among the *Class Action* and the *Individual Actions.* Such protocols will allow the sharing of discovery and promote cooperation and efficiency. The plaintiffs in the *Individual Actions*, for example, will have access to the documents already obtained through discovery in the *Class Action*. The Proposal also will establish procedures for the orderly taking of depositions to avoid multiple or duplicative depositions. The Proposal also limits the number of "deposition days" that each side may use without further agreement or leave of Court.

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There is one point of disagreement:

1.   The Number Of Deposition Days Allowed For Defendants:

Defendants propose that they may notice one-hundred fifteen (115) deposition days for use in the *Coordinated Actions*, without further agreement or leave of Court, and an additional eighty-five (85) deposition days for use exclusively in the *Individual Actions*. ¶¶40-41.

Plaintiffs propose that Defendants may notice eighty (80) deposition days for use in the *Coordinated Actions*, the same numbers as Plaintiffs. Plaintiffs do not dispute that Defendants may take an additional eighty-five (85) deposition days for use exclusively in the *Individual Actions*. ¶¶40-41.

Thank you for your attention. We stand ready to address any questions at the January 17 conference and to prepare a conformed order setting forth the terms set at this conference.

Respectfully submitted,

 /s/ David R. Stickney
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    & Grossmann LLP

 /s/ David Kessler
David Kessler
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DRS/vjl
cc: All counsel of record (via email)
        Enclosures